



County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

March 22, 2018

The Honorable Marc Steinorth
California State Assembly
State Capitol
Sacramento, CA 95814

Re: AB 1768 – As Introduced January 4, 2018 – SUPPORT

The County of San Bernardino is pleased to support AB 1768, legislation that authorizes San Bernardino County housing authority to develop and finance a middle-income housing project if it receives a gap financing.

The bill directly supports the creation of middle income housing to increase the local supply of homes affordable to the workforce including school teachers, nurses, police, first responders, and fire fighters among others who earn too much to qualify for existing affordable housing programs, yet might not be able to afford to live in the communities where they work.

In the creation of mixed-income housing, the measure encourages a reduction in the high concentrations of low and very low-income families in low-income housing developments required by current affordable housing financing programs like the Low-Income Housing Tax Credit (LIHTC) program. Instead, AB 1768 encourages creative affordable financing structures that may reduce overall development costs for new affordable housing compared to existing affordable housing programs whose highly regulated environment has resulted in extremely high costs.

The bill will also lead to the creation of affordable housing with increased rent revenue streams supporting project debt, thereby decreasing the amount of government subsidy required for construction.

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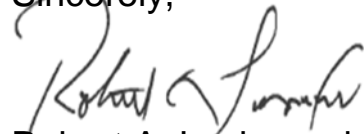
Gary McBride
Chief Executive Officer

The proposed Bill would authorize the Housing Authority on a pilot basis to issue a bond or make a direct loan to a nonprofit not under the income restrictions set forth in Low-Income Housing Tax Credit (LIHTC) deals, but broaden the definition to include 40% of the units are affordable to households at 80% AMI and 10% at 150 AMI restriction, which captures middle-income families and allows for development of middle-income housing projects.

AB 1768 allows San Bernardino County to join the City of San Diego and the County of Santa Clara in a pilot program incentivizing the production of housing for the missing middle, who are unable to find homes in the current untenable housing market.

For the above reasons, the County of San Bernardino is pleased to support AB 1768. If you have any questions regarding the County's position, please do not hesitate to contact Josh Candelaria, Director of Governmental Affairs at (909) 387-4821 or jcandelaria@sbcountry.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Lovingood", written over a light gray rectangular background.

Robert A. Lovingood

First District Supervisor

Chairman, San Bernardino County Board of Supervisors

c: San Bernardino County Legislative Delegation